

January 31, 2001

IN RE: DOCKET NO. 2000-536-C – SCANNA COMMUNICATIONS, INC. –
Application To Amend Its Certificate of Public Convenience and
Necessity so as to provide for Intrastate Local Exchange, Exchange
Access, and Interexchange Telecommunications Services Within The
State Of S.C. & For Flexible Regulation Of Those Services, & so as to
Modify the limitation concerning the Provision Of Private Line and
Special Access Services

**COPY OF TESTIMONY OF JAMES M. MCDANIEL AND BARBARA J.
CRAWFORD ON BEHALF OF THE COMMISSION STAFF HAS BEEN
DISTRIBUTED TO THE FOLLOWING:**

J. McDaniel

Legal (2)

Exec. Director

Manager, Utils Dept.

Audit (2)

Commissioners (7)

pao

COMMISSIONERS
WILLIAM "BILL" SAUNDERS, 1ST DISTRICT
CHAIRMAN
H. CLAY CARRUTH, JR., 5TH DISTRICT
VICE CHAIRMAN



COMMISSIONERS
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RANDY MITCHELL, 3RD DISTRICT
PHILIP T. BRADLEY, 4TH DISTRICT
MIGNON L. CLYBURN, 6TH DISTRICT
C. ROBERT MOSELEY, AT LARGE

GARY E. WALSH
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The Public Service Commission State of South Carolina

PO Drawer 11649
Columbia, SC 29211
Koger Executive Center
101 Executive Center Dr.
Columbia, SC 29210
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January 31, 2001

Honorable Gary E. Walsh
Executive Director
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211



RE: Docket No. 2000-536-C - SCANA Communications, Inc.

Dear Mr. Walsh:

Pursuant to R.103-869 of the Commission's Rules and Regulations, I am herein enclosing the original and twenty-five (25) copies of the testimony and exhibits intended to be offered by the two (2) witnesses for the Commission Staff in the above referenced proceeding. By copy of this letter, I am serving copies of the testimony on the parties of record in this proceeding.

If I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read "F. David Butler".

F. David Butler
General Counsel

FDB:dd
Enclosures:
cc: All Parties of Record

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IN RE: Docket No. 2000-536-C - SCANA Communications, Inc.

A copy of the Testimony and Exhibits of James McDaniel and Barbara J. Crawford was mailed first-class postage to the following Parties of Record:

Craig B. Collins, Esquire
Willoughby & Hoefer, PA
P. O. Box 8416
Columbia, SC 29202-8416

Margaret M. Fox, Esquire
McNair Law Firm, PA
P. O. Box 11390
Columbia, SC 29211

Caroline N. Watson, Esquire
BellSouth Telecommunications, Inc.
P. O. Box 752
Columbia, SC 29202

dd

ORIGINAL

***Application of SCANA Communications, Inc.
for an Amendment of its Certificate of Public
Convenience and Necessity so as to provide
any and all intrastate Local Exchange,
Exchange Access, and Interexchange
telecommunications services within the
State of SC on a resold and facilities basis.***

Docket No. 2000-536-C

2/1/01
PSC



***Testimony of
Barbara J. Crawford
Audit Department***

Public Service Commission of South Carolina

Q. Please state for the record your name, business address and position with the Public Service Commission of South Carolina.

A. My name is Barbara J. Crawford. My business address is 101 Executive Center Drive, Columbia, South Carolina. I am employed by the Public Service Commission of South Carolina as an Auditor.

Q. Please state your educational background and your experience.

A. I received a B.S. Degree in Business Administration with a major in Accounting from the University of South Carolina in 1978. I am a Certified Public Accountant, licensed in the State of South Carolina. Additionally, I am a Certified Internal Auditor. Of my seventeen years experience in the auditing profession, sixteen months have involved the ratemaking process.

Q. What is the purpose of your testimony involving SCANA Communications, Inc.?

A. The purpose of my testimony is to present my findings of the Audit Department's review of the financial statements that were a part of the Applicant's filing in this docket.

Q. Please present your findings to the Commission.

1 A. The Applicant, SCANA Communications, Inc., is a wholly-
2 owned subsidiary of SCANA Corporation, a South Carolina
3 corporation. The Applicant is a well-established
4 company that has been in business in South Carolina
5 since 1984. The Applicant filed the unaudited balance
6 sheet of SCANA Communications Inc. that was dated May
7 31, 2000, which I reviewed. The balance sheet
8 indicated that the company was not very liquid at May
9 31, 2000. Cash made up less than 1% of the company's
10 total assets at the end of May 2000. The current ratio,
11 which is an indication of a company's ability to meet
12 its current liabilities with current assets, was only
13 .44. The ratio indicated that only 44% of the current
14 liabilities could be met with current assets. It would
15 require some other source of working capital in order to
16 meet all of the current liabilities. Although the
17 company was not very liquid, the company had more than
18 \$782 million dollars invested in long-term investments
19 at the end of May 2000. Long-term debt made up 61% of
20 total liabilities and stockholders' equity at May 31,
21 2000. Retained earnings were positive, an indication of
22 prior profits, and amounted to more than \$10 million
23 dollars at the end of May 2000. Stockholders' equity

1 was also positive at May 31, 2000. The May 31, 2000
2 balance sheet indicates a financially stable company
3 that has the majority of its assets invested in long-
4 term investments.

5 Q. Do you have an assessment of this Applicant's financial
6 position based on the financial statements filed with
7 the application?

8 A. Yes, I do. As stated previously, the Applicant is a
9 well-established, financially stable company that is a
10 subsidiary of SCANA Corporation. Although the Applicant
11 is not very liquid, the Applicant has sufficient funds
12 invested long-term to fund its operations in South
13 Carolina, based on the unaudited balance sheet filed as
14 of May 31, 2000.

15 Q. Does this conclude your testimony?

16 A. Yes, it does.

VERIFICATION

I, Barbara J. Crawford, first being duly sworn upon oath, depose and say that I am an Auditor III with the Public Service Commission of South Carolina; that I have read the above and foregoing pre-filed Testimony and know the contents thereof; that said contents are true.

31st day of January, 2001
Larry K Hardin

Notary Public for

My Commission Expires: 2/28/2010